

U.S. DEPARTMENT OF COMMERCE  
ADVISORY COMMITTEE ON EXPORT POLICY STRUCTURE

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April 10, 1958

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\*DOC Exempt Letter On File\*

March 31, 1958

O. C. DOCUMENT NO. 1415

TO: Chairman, Operating Committee

FROM: Commerce Member

SUBJECT: Export to Poland of Drilling Rigs and Accessories

The Department of Commerce recommends that five pending applications for the export to Poland of drilling rigs and accessories be approved. Details are as follows:

(a) Case No. 219562

Commodity: 2 Rotary drill rigs with  
180 hp input, trailer mounted,  
with parts and accessories

Value: Drill rigs - \$125,600  
Parts and accessories - 23,299  
\$148,299

Mesl rating: 1150

(b) Case No. 211928

Commodity: 2 Rotary drill rigs with 350 hp  
input, trailer mounted

Value: \$220,557

Mesl rating: 1150

(c) Case No. 213621

Commodity: Parts and accessories for rigs  
covered by Case No. 211928

Value: \$172,138

Mesl rating: 1150

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(d) Case No. 213620

Commodity: 580 Rotary rock drill bits with tungsten carbide  
575 Rotary core bits

Value: \$256,148

Mesl rating: 1150

(e) Case No. 211904

Commodity: 104,000 lbs. 2-7/8" drill pipe

Value: \$20,727

Mesl rating: 1154

The applicant on Case (a) above is George E. Failing Company, and the ultimate consignee is the Ministry of Fuel and Power, Katowice, Poland. The applicant and ultimate consignee on the other four cases are, respectively, Ideco, Inc. and Centrala Handlu Zagranicznego, Katowice, Poland.

The stated end use for this equipment is for exploration for coal deposits. The smaller rigs can be used to a depth of 2500 feet, while the larger rigs will penetrate to 5,000 feet.

Equipment of this kind is most generally used for oil prospecting, and the proposed end use has therefore been thoroughly investigated by BFC technicians, in consultation with personnel of the Bureau of Mines and the Polish Embassy.

The Bureau of Mines advises that the stated end use is reasonable and appropriate for the subject equipment. The area to be explored is in the mountains bordering Czechoslovakia. This area has very watery sands, and it is proposed to use the "ground freezing" method of drilling. In ground freezing, a hole of from six to eight inches in diameter is drilled and lined, and freezing brine is then circulated through the hole.

The unusual depth for coal prospecting is accounted for by the depth of Polish coal deposits. Some Polish coal mines are at present 3,000 feet deep.

Important technical data are required for production of the bits covered by Case No. 213620. These data, however, are not extractable from the bits themselves. (This matter was thoroughly investigated when the proposed exchange of U.S. bit-making technology for Russian turbodrills was under review.)

The Department of Commerce therefore feels that the subject equipment is reasonable and necessary for the civilian economy of Poland, and, considering also the firm assurances against transshipment which the Poles have given to the U.S., believes that approval of these

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applications is appropriate pursuant to the intent and specific provisions of PD 1315.

The Committee will be interested to note that this equipment is being financed by a U.S. government loan, administered by the Exim Bank.

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